

PUBLIC DISCLOSURE

MARCH 4, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

HYDE PARK CO-OPERATIVE BANK

1172 River Street
Hyde Park, MA 02136

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of HYDE PARK CO-OPERATIVE BANK prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "**SATISFACTORY**".

Based on the five criteria specified for institutions with assets under \$250 million, Hyde Park Co-operative Bank's overall CRA performance is considered Satisfactory. The bank's loan-to-deposit ratio stood at 61.6 percent as of December 31, 2001, and has averaged in excess of 61 percent over the last 8 quarters. These figures meet satisfactory performance levels based on the bank's size, customer credit needs, and the competitive market in which it operates.

Mortgage loan data for calendar years 2000 and 2001 indicate that Hyde Park Co-operative Bank originates the majority of its residential mortgages and small business loans within its assessment area. The bank meets the standards for satisfactory performance in this category.

Low- and moderate-income households represent 42.4 percent of total households. However, circumstances such as escalating housing costs and lack of affordable housing opportunities within the assessment area limit homeownership among low-and moderate-income individuals. The bank's performance in lending to borrowers of different income levels is good when compared to aggregate lenders and the overall rate of homeownership in the assessment area's low- and moderate-income geographies. The bank exceeds the standards for satisfactory performance in this category.

The assessment area is composed of two low-income census tracts, 15 moderate- and 15 middle-income census tracts, and 4 upper-income census tracts. Based on the analysis of the geographic distribution of loans within each geography, the bank's performance is considered reasonable. Based on a review of the bank's CRA-related complaint file and fair lending policies and practices, no evidence of any discriminatory practices was noted and a performance rating of satisfactory was given.

A review of the institution's community development lending and services was also undertaken at the bank's request. The bank has been pro-active in pursuing housing

opportunities for low- and moderate-income individuals by way of its participation in the financing of multi-family properties and the rehabilitation of residential and mixed-use properties in low- and moderate-income areas. These factors support the bank's solid CRA rating of "Satisfactory."

PERFORMANCE CONTEXT

Description of Institution

Hyde Park Co-operative Bank (HPCB) is a state-chartered mutual institution incorporated under the laws of the Commonwealth of Massachusetts in 1886. The bank's headquarters and full-service office is located at 1172 River Street in the Hyde Park section of Boston. On July 14, 2000, the bank closed its branch office located at 185 Wolcott Square in Readville. On August 8, 2000, the bank opened a full service branch located at 733 Center Street in the Jamaica Plain section of Boston.

Both full service offices offer ATM service. The Jamaica Plain branch has two ATMs that provide 24-hour service. The ATM located in the main office lobby was relocated from the America's Food Basket Supermarket on Hyde Park Avenue. ATM services for this machine are provided during business hours only. Walk-up teller service is provided at the Hyde Park office. A drive-up teller facility located at the main office is currently being remodeled and should reopen in April 2002. This freestanding facility will also provide two 24-hour ATMs for customer convenience. The bank maintains ATMs at remote locations. Although the Readville branch was closed, an ATM is still maintained at the location. A non-deposit taking ATM is located at 427 Sprague Street in Dedham. The ATMs are connected to the NYCE and Cirrus networks. In addition, HPCB is a member of the SUM network, which is a surcharge-free alliance of several financial institutions that include over 1,000 ATMs throughout Massachusetts. The bank's customers can avoid ATM surcharges by conducting business at alliance members' ATMs that bear the SUM logo.

Bank services and hours of operation compare favorably to those of competing institutions and afford accessibility to all segments of HPCB's assessment area. Both offices provide business hours from 9 a.m. to 5 p.m. weekdays with extended business hours on Thursday and Friday at the Hyde Park office and Saturday morning business hours from 9 a.m. to 1 p.m. at both locations.

The bank faces competition from other institutions that operate within the assessment area. Aggregate Home Mortgage Disclosure Act (HMDA) data indicates that the bank ranks 33rd in market share out of a total of 325 HMDA-reportable mortgage lenders that made loans within the assessment area in 2000. Other competitors within the competitive mortgage market include large national and regional lenders such as Sovereign Bank, Countrywide Home Loans, BankBoston/Fleet N.A., Washington Mutual Bank FA, and Ohio Savings Bank. The bank experiences competition from other bank and non-bank mortgage lenders who operate in the local area.

As of December 31, 2001, HPCB had total assets of \$98.7 million. Total loans represent 50.3 percent of the bank's total assets. HPCB is primarily a residential mortgage lender with 53.3 percent of its loan portfolio comprised of residential loans. Loans on nonresidential properties make up 29.0 percent of total loans, followed by construction and multifamily properties with 8.2 percent and 5.0 percent, respectively. The following table includes other categories consisting of consumer loans and commercial loans, each representing less than 5 percent of the loan portfolio.

Loan Distribution		
Loan Type	Dollar Amount (000)	Percent (%)
Secured by:		
Construction	4,069	8.2
1-4 Family Residential Properties	26,484	53.3
Multi Family (5 or more) Residential Properties	2,481	5.0
Nonresidential Properties	14,394	29.0
Commercial and Industrial Loans	728	1.5
Consumer Loans	1,507	3.0
Total	49,663	100.0

Source: Office of Thrift Supervision Thrift Financial Report as of December 31, 2001

HPCB's assets increased more than 13.7 percent between March 31, 2000, and December 31, 2001. An increase in deposits of more than 3.1 percent occurred during the same period.

The Office of Thrift Supervision (OTS) last examined the bank for compliance with the Community Reinvestment Act on June 7, 1999. That examination resulted in a CRA rating of "Satisfactory". The previous CRA examination conducted by the Division of Banks on September 30, 1997 also received a "Satisfactory" rating.

Description of Assessment Area

The Community Reinvestment Act requires a financial institution to identify one or more assessment areas in which it intends to help meet the area's credit needs. Hyde Park Co-operative Bank (HPCB) has designated the municipality of Dedham and the following five neighborhoods within the City of Boston: Hyde Park; Jamaica Plain; Mattapan; Roslindale; and West Roxbury. These six areas are comprised of 36 census tracts, all of which are located within the Boston Metropolitan Statistical Area. The Town of Dedham is part of Norfolk County while the Boston neighborhoods are located in Suffolk County. As currently defined, the assessment area meets the technical requirements of the regulation since whole geographies are included and do not arbitrarily exclude low- and moderate-income areas.

The 36 geographies that make up the assessment area are representative of the four income categories that define census tracts and borrowers. These categories include low-, moderate -, middle -, and upper –income designations.

As defined by the U.S. Department of Housing and Urban Development (HUD) low-income is defined as income less than 50 percent of the MSA's median family income. Moderate-income is defined as an income level that is 50 percent to less than 80 percent of the MSA's median family income. Middle-income is defined as an income level that is 80 percent to less than 120 percent of the MSA median family income, while upper-income is defined as an income level that is equal to or greater than 120 percent of the median family income.

The median family income for the Boston MSA was \$48,688 according to the 1990 census data. However, HUD makes annual adjustments to median family income figures. The adjusted median family income for the Boston MSA for 2000 and 2001 was \$65,500 and \$70,000, respectively. Based upon the definitions of the various income levels, the adjusted figures for a low-income individual would have a maximum annual income of \$32,749 and \$34,999 in 2000 and 2001, respectively. Moderate-income individuals would earn between \$32,750 and \$52,399 for 2000 and between \$35,000 and \$55,999 for 2001.

As depicted in the table below, the majority of the census tracts are evenly distributed between moderate- and middle-income tracts. The table also shows the percentage of households that reside in the various census tract categories. Information pertaining to household income levels is shown in the Performance Criteria portion of this evaluation.

<i>Selected Housing Characteristics by Income Category of the Geography</i>							
Geographic Income Category	Percentage						Median Home Value
	Census Tracts	House- holds	Housing Units	Owner- Occup'd	Rental Units	Vacant Units	
Low	5.5	1.2	1.2	0.5	2.0	1.8	\$183,036
Moderate	41.7	41.2	41.6	29.6	54.7	48.2	\$153,223
Middle	41.7	49.0	48.7	56.1	40.7	44.7	\$170,362
Upper	11.1	8.6	8.5	13.8	2.6	5.3	\$205,031
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	\$166,326

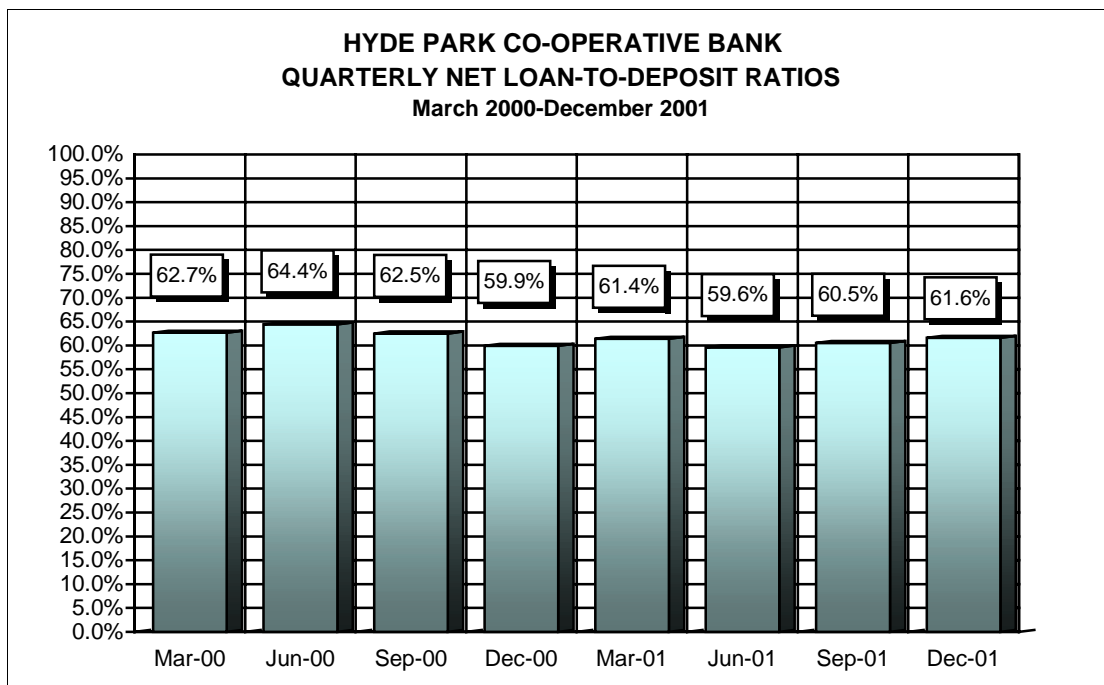
Source: U.S. Census

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

Based upon HPCB's asset size, its capacity to lend, and the credit needs of its customers, the institution's net loan-to-deposit ratio meets the standards for satisfactory performance.

An analysis of Hyde Park Co-operative Bank's net loan-to-deposit (LTD) ratio was performed during the examination. The analysis utilized the last eight quarters of the Office of Thrift Supervision Thrift Financial Report (TFR) data for this institution. The bank's net loans to total deposits as reported were reviewed for the quarters ending March 31, 2000 through December 31, 2001. The following chart indicates that for the period reviewed, the bank's net LTD ratios fluctuated between a high of 64.4 percent as of June 2000 and a low of 59.6 as of June 2001. The chart further indicates that ratios rebounded in the third and fourth quarter 2001.



TFR report data for the two-year period indicated that the loan portfolio varied minimally and total deposits increased by slightly more than 3 percent. Increased construction loan activity and loans on multi-family and nonresidential properties dominated loan growth. It is also noted that the bank relies on borrowing from the Federal Home Loan Bank to help fund its loan activity. The institution's average net loan-to-deposit ratio of 61.6 percent for this period is considered reasonable.

HPCB's net loan-to-deposit ratio of 61.6 percent as of year-end 2001 is reasonable when compared to other institutions of similar size and type that operate within the bank's assessment area.

Net Loans-to-Deposit Ratios as of December 31, 2001		
Bank	Asset Size (000s)	% LTD
The Co-operative Bank	\$186,010	87.5
Roxbury Highland Co-operative Bank	\$29,315	69.9
Dedham Co-operative Bank	\$63,888	68.8
Hyde Park Co-operative Bank	\$98,655	61.6

In contrast to the larger financial institutions that operate within the assessment area, the bank's asset size has not been a deterrent in providing credit to its customers. It is noted that the bank is a portfolio lender and neither purchased nor sold mortgages on the secondary market during the period reviewed. Based on the preceding information, the bank's performance in this area is considered adequate.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

Based upon the analysis of HMDA data and small business loan data, the bank's level of lending within the assessment area meets the standards for satisfactory performance.

HMDA-reportable loans and small business loans for 2000 and 2001 were used to compare the institution's level of lending activity inside and outside of the assessment area. The HMDA loans consisted of first and second mortgages and home improvement loans on one to four family properties. Refinanced mortgages represented 26.8 percent of total loans on residential properties. A total of 16 loans to small businesses were analyzed.

HMDA Loans

According to the institution's HMDA data, the bank originated 47 residential loans in calendar year 2000 and 76 residential loans in 2001. Loans originated inside HPCB's assessment area represented 64.2 percent of the total number, or 57.4 percent of the total dollar volume of \$15.5 million. Hyde Park accounted for 38.2 percent of the total number and 30.2 percent of the total dollar volume. Roslindale and Jamaica Plain were a distant second and third place with 8.9 percent and 6.5 percent of the total number, respectively. Refer to the following tables for additional information.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2000	31	66.0	3,096	59.4	16	34.0	2,113	40.6
2001	48	63.2	5,810	56.3	28	36.8	4,510	43.7
Total	79	64.2	8,906	57.4	44	35.8	6,623	42.6

Source: HMDA LAR, Cra Wiz

Small Business Loans

According to internal loan data, the bank originated 12 small business loans in calendar year 2000 and 4 small business loans in 2001. The following information is based upon the loan volume for this period.

The bank originated 16 small business loans for a dollar total amount of \$565,000 from January 1, 2000, through December 31, 2001. Of this total, 14 loans or 87.5 percent of the total number of loans were originated within the assessment area and 93.8 percent of the dollar volume were originated within the assessment area. Hyde Park accounted for approximately 56.0 percent of the total number and 54.9 percent of the total dollar volume. Dedham was the only other area within the assessment area with small business loans, with 31.5 percent of the total number and 38.9 percent of the dollar volume. Loans originated outside of the delineated assessment area constituted 12.5 percent of the total number, or 6.2 percent of the total dollar volume. Refer to the following table for additional information.

Distribution of Small Business Loans Inside and Outside of the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2000	10	83.3	416	92.2	2	16.7	35	7.8
2001	4	100.0	114	100.0	0	0.0	0	0.0
Total	14	87.5	530	93.8	2	12.5	35	6.2

Source: Small Business Data Collection

The data presented above for HMDA and Small Business loans indicate that HPCB extends the majority of its loans, by number and dollar volume, within the assessment area. The overall rate of lending within the assessment area is at a satisfactory level.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The distribution of residential loans to borrowers of different incomes reflects good penetration among all income levels. Based upon this analysis, the bank's efforts exceed the standards for satisfactory performance.

HMDA Loans

Further analysis of HPCB's loan data for the review period was conducted in order to determine the distribution of loans based upon the income levels of borrowers. The analysis of borrower income level was identified as the ratio of borrower income to the MSA Median Family Income. The Median Family Income for the Boston MSA for calendar years 2000 and 2001 was \$65,500 and \$70,000, respectively. These figures are based upon estimated 2000 and 2001 Department of Housing and Urban Development (HUD) information.

Low-income is defined by HUD as income below 50 percent of the median family income level for the MSA; moderate-income is defined as 50 to 79 percent of the median family income; middle-income is defined as income between 80 and 119 percent of the median family income; and upper-income is defined as income at or greater than 120 percent of the median family income.

The following tables indicate loans originated and categorized by the applicants' reported income in relation to the median family income for the MSA. The bank granted 31 residential loans within the assessment area in 2000 and 48 loans in 2001. Loans to borrowers of moderate-income and low-income represented 19.0 percent and 15.2 percent of loans originated, respectively. Loans extended to borrowers within the middle-income level represented the largest individual category with 32.9 percent of the total number and 34.1 percent of the total dollar amount for the period reviewed. Loans extended to borrowers of upper-income were next with 21.5 percent of the total number and 18.6 percent of the total dollar amount.

<i>Distribution of HMDA Loans by Borrower Income By number</i>								
Median MSA Income Level	% Total Households *	Aggregate Lending Data (% of #) 2000	2000		2001		Total	
			#	%	#	%	#	%
Low	1.2	5.0	5	16.2	7	14.6	12	15.2
Moderate	41.2	15.7	9	29.0	6	12.5	15	19.0
Middle	49.0	22.6	9	29.0	17	35.4	26	32.9
Upper	8.6	29.6	4	12.9	13	27.1	17	21.5
NA	0.0	27.1	4	12.9	5	10.4	9	11.4
Total	100.0	100.0	31	100.0	48	100.0	79	100.0

Source: U.S. Census*, HMDA LAR, HMDA Aggregate Data

<i>Distribution of HMDA Loans by Borrower Income By Dollar Amount</i>								
Median MSA Income Level	% Total House- holds	Aggregate Lending Data (% of \$) 2000	2000		2001		Total	
			\$(000)	%	\$(000)	%	\$(000)	%
Low	1.2	3.6	398	13.0	455	7.8	853	9.6
Moderate	41.2	12.8	602	19.4	569	9.8	1,171	13.1
Middle	49.0	22.1	914	29.5	2,120	36.5	3,034	34.1
Upper	8.6	36.7	515	16.6	1,143	19.7	1,658	18.6
NA	0.0	24.8	667	21.5	1,523	26.2	2,190	24.6
Total	100.0	100.0	3,096	100.0	5,810	100.0	8,906	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

The above tables show the number and the dollar volume of HMDA-reportable loans originated by HPCB in comparison to all other lenders who made loans within the assessment area during calendar year 2000, the latest data available for aggregate information.

The results of the analysis indicated that HMDA-reportable loans originated by the bank among low and moderate-income borrowers were higher in volume than other HMDA reporters within the assessment area. The percentage of HPCB's HMDA-reportable loans granted in 2000 to low-income borrowers at 16.2 percent of the number and 13.0 percent of the dollar volume exceeds that of all other lenders. Similarly HPCB's lending (by number) to borrowers of moderate income at 29 percent exceeded the aggregate performance of 15.7 percent

Small Business Loans

The analysis of HPCB's small business lending within the assessment area indicated that half of its small business lending was to businesses with annual gross revenues of \$1,000,000 or less. Business Demographic Data compiled by PCI Services, Inc. for 2001 indicated that businesses with revenues of less than 1 million represented 86.2 percent of the total small businesses that operate within the assessment area.

The following reflects the bank's small business lending inside the assessment area to businesses of different revenue size.

<i>Distribution of Small Business Loans by Gross Annual Revenues of Business</i>						
Gross Annual Revenues (000s)	2000		2001		Total	
	#	%	#	%	#	%
<= \$1,000	4	40.0	3	75.0	7	50.0
> \$1,000	6	60.0	1	25.0	7	50.0
Total	10	100.0	4	100.0	14	100.0

Source: CRA Data Collection

Taking into account the asset size of the bank, the product lines that are offered by the bank, and the economic climate within the assessment area, the distribution of loans among small business customers of different sizes reflects reasonable penetration.

The distribution of small business loans by loan size was also analyzed. HPCB originated a substantial majority of its small business loans, by number, in loan amounts of less than \$100,000. This reflects the bank's commitment to serving the credit needs of businesses that operate within the assessment area. These efforts have helped to retain existing businesses and attract new ones to the area. The support of local businesses has also contributed to the economic well being of the assessment area, particularly the Hyde Park section of Boston.

<i>Distribution of Small Business Loans by Loan Size</i>						
Loan Size (000s)	2000		2001		Total	
	#	%	#	%	#	%
< \$100	9	90.0	4	100.0	13	92.9
\$100 - \$250	1	10.0	0	0.0	1	7.1
> \$250 - \$1,000	0	0.0	0	0.0	0	0.0
Total	10	100.0	4	100.0	14	100.0

Source: CRA Data Collection

Based upon the analysis of borrower income, the distribution of residential loans and small business loans indicates an excellent penetration among borrowers of different income levels. Consequently, the bank was found to exceed the standards for satisfactory performance in these criteria.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The analysis of the geographic distribution of residential and small business loans and a comparative analysis of 2000 HMDA aggregate data indicate that Hyde Park Co-operative Bank's efforts meet the standards for satisfactory performance.

HMDA Loans

The following table notes the number of residential loans originated within the assessment area by census tract classification. This data indicates that no loans were originated in the assessment area's low-income tracts for the period reviewed. Also, the following table indicates that 50.6 percent of the number were originated in the assessment area's middle-income tracts. Loans originated in the moderate- and upper-income tracts represented 44.3 percent and 5.1 percent, respectively, of the total number. These figures are reasonably consistent with the owner-occupancy rate within the assessment area's various census tract income categories. In addition, the distribution of the bank's loans within the various census tract categories for 2000 is in line with that of the aggregate lending data. While the bank made no HMDA loans in

the low-income census tracts, these tracts represented only .5 percent of all owner-occupied housing units. This performance was similar to the aggregate which made only 1.2 of all loans in these tracts in Year 2000. In addition, the HPCB made 38.7 percent of its loans in 200 in moderate-income census tracts, in comparison to the aggregate which made 39.6 percent. Both performances are in excess of the proportion of owner-occupied housing units in moderate-income tracts which stood at 29.6 percent.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	% Total Owner- Occupied Housing Units	Aggregate Lending Data(% of #)	2000		2001		Total	
			2000					
Low	0.5	1.2	0	0.0	0	0.0	0	0.0
Moderate	29.6	39.6	12	38.7	23	47.9	35	44.3
Middle	56.1	50.1	18	58.1	22	45.8	40	50.6
Upper	13.8	9.1	1	3.2	3	6.3	4	5.1
Total	100.0	100.0	31	100.0	48	100.0	79	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

Small Business Loans

The penetration of small business loans with census tracts of different income levels is considered good. The following table indicates the distribution of the bank's small business loans originated within the assessment area by number of loans.

A slight majority of the local business and industrial development (51.4%) is concentrated within the assessment area's middle-income geographies. Despite the bank's focus as a residential lender, the bank originated 14 small business loans within the assessment area for a dollar total of \$530,000. The geographic distribution of the bank's small business loans is reasonably consistent with the distribution of business development throughout the area. Similar to small business development within the assessment area, the majority of small business loans were originated within middle-income census tracts with 71.4 percent followed by lending within moderate-income census tracts at 21.4 percent.

For comparison purposes, the following table includes a breakdown, by percentage, of the 4,961 small businesses within the four census tract income categories.

Distribution of Small Business Loans by Income Category of the Census Tract							
Census Tract Income Level	% of Total Number of Small Businesses	2000		2001		Total	
		#	%	#	%	#	%
Low	1.1	0	0.0	0	0.0	0	0.0
Moderate	33.3	3	30.0	0	0.0	3	21.4
Middle	51.4	6	60.0	4	100.0	10	71.4
Upper	14.2	1	10.0	0	0.0	1	7.2
Total	100.0	10	100.0	4	100.0	14	100.0

Source: CRA data collection, CRA Aggregate Lending Data

Based upon this analysis, the distribution of HPCB's HMDA-reportable and small business loans among various census tracts is considered reasonable.

5. REVIEW OF COMPLAINTS

A review of the bank's public comment file and its performance relative to fair lending policies and practices indicates that the institution meets the standards for satisfactory performance.

FAIR LENDING POLICIES AND PRACTICES

HPCB's fair lending data was reviewed to determine how it relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy. A thorough review of the public comment file revealed that the bank received no complaints pertaining to the institution's CRA performance since the previous examination. Sample reviews of the bank's approved and denied residential loan application files were conducted to check for fair lending issues. No discriminatory practices were noted.

The bank maintains a Fair Lending Policy, which was last approved by the Board of Directors on May 16, 2001. Employees of the bank involved in consumer and mortgage lending undergo a comprehensive fair lending training program that includes diversity training and mortgage counseling. In addition, the training includes a review of the Fair Housing Act, the Truth in Lending Act, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, and the Community Reinvestment Act.

The bank is comprised of 30 employees, ten of whom are minorities, including 5 who speak Spanish.

Officers and Directors of the bank contact and are involved with numerous community organizations, which allow them to better ascertain the needs of the community. The bank's marketing efforts reach individuals of all income levels and covers the entire

assessment area. The institution evaluates both the products it offers and its product mix by way of periodic questionnaires, which are mailed to bank retail customers. The feedback from these surveys is used by the bank to determine whether the bank's products are responsive to the needs of the assessment area.

Prior to a mortgage request being declined it must be reviewed by another bank officer and properly documented in the file. In addition, the bank tests the accuracy of its HMDA data in order to be consistent in its underwriting standards. An outside consulting firm performed a review of the bank's assessment area mortgage applications for 2000 and 2001.

MINORITY APPLICATION FLOW

A review of residential loan applications was conducted in order to determine the number of HMDA-reportable credit applications the bank received from minority applicants. In 2000 and 2001, the bank received a total of 101 residential loan applications from within its assessment area. During this period, 10 applications were received from minorities. Refer to the following table for further details.

MINORITY APPLICATION FLOW*								
RACE	AGGREGATE DATA 2000		BANK 2000		BANK 2001		BANK TOTAL	
	#	%	#	%	#	%	#	%
<i>Native American</i>	22	0.2	0	0.0	0	0.0	0	0.0
<i>Asian</i>	149	1.5	0	0.0	0	0.0	0	0.0
<i>Black</i>	1,336	13.1	3	7.5	1	1.6	4	4.0
<i>Hispanic</i>	616	6.0	2	5.0	2	3.3	4	4.0
<i>Joint</i>	112	1.1	1	2.5	0	0.0	1	1.0
<i>Other</i>	113	1.1	0	0.0	1	1.6	1	1.0
Total Minority	2,348	23.0	6	15.0	4	6.6	10	10.0
<i>White</i>	3,722	36.5	32	80.0	53	86.8	85	85.0
<i>NA</i>	4,131	40.5	2	5.0	4	6.6	6	6.0
Total	10,201	100.0	40	100.0	61	100.0	101	100.0

*Source: PCI Services, Inc., CRA Wiz Software.

The bank's minority application flow for this period was compared with the racial make-up of the assessment area and 2000 aggregate data for all other HMDA reporters within the assessment area. The comparison of these data assists in deriving reasonable expectations for the rate of applications the bank received from minority credit applicants.

According to 1990 Census Data, HPCB's assessment area contained a total population of 165,032 individuals of which 29.6 percent are representative of various minority groups. In comparison, HPCB's minority application flow of 10 percent for 2000 and 2001 is significantly lower proportionately than the percentage of minorities within the assessment area.

Additionally, the aggregate information as shown above indicated that of the 10,201 HMDA-reportable applications received by other mortgage lenders within the assessment area in 2000, 23 percent of that total was from minority applicants. The bank received 15 percent of its applications from minorities in 2000, a figure that is significantly below that of other HMDA reporters operating within the assessment area. Also, while HPCB's credit application flow volume for 2001 increased more than 52 percent over that of the previous year, minority application flow decreased by 50 percent. While minority application flow remains somewhat lower than expected, the bank's numbers have increased since the last CRA examination conducted by the Division of Banks.

Community Development Lending

At the bank's request its community development lending and services were reviewed.

In 2000, the bank made a total of 5 loans totaling \$1.5 million to individuals within the assessment area for the rehabilitation of residential mixed-use properties, all of which were located in moderate-income census tracts. Also in 2000, the bank originated a loan on a multi-family property totaling \$320,000. In 2001, the bank originated 3 loans on multi-family properties totaling \$1.0 million, all of which were located in moderate-income census tracts.

Retail Services

The bank's two full service office locations provide Automated Teller Machine (ATM) service that is processed through NYCE and Cirrus networks and are affiliated with the SUM alliance of surcharge free ATMs. The bank also provides a cash dispensing stand-alone ATM that is located in Dedham and another full-service ATM in Readville. All facilities are located within moderate-income census tracts, except for the Dedham ATM facility, which is located in a middle-income census tract.

The bank provides 24-hour telephone banking service. This service offers account information on checking, savings, and loan accounts and gives customers the ability to transfer funds between accounts and make loan payments.

The bank opened a full service branch office in Jamaica Plain on August 8, 2000. This office provides two 24-hour ATMs plus safe deposit services. The bank's systems for delivering retail-banking services are readily accessible to geographies and individuals of different income levels within its assessment area, including individuals of low and moderate-income.

Community Development Services

The CRA regulation defines a community development service as a service that is primarily for the purpose of community development and is related to the provision of financial services. An important way an institution can provide these services is through the involvement of officers and staff in community organizations. The degree of the bank's efforts in lending its time and technical expertise, experience and judgment to community organizations is noted below:

- The bank's President serves on the Board of Hyde Park's Main Streets Program
- The bank's Treasurer serves as the Treasure of Hyde Park's Main Streets Program

Hyde Park Co-operative Bank's Community Development activities enhance its CRA performance and support its rating of Satisfactory.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

HYDE PARK CO-OPERATIVE BANK

For compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **MARCH 4, 2002**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 _____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee, which does not exceed the cost of reproduction, and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.